



Statement of The Stop & Shop Supermarket Company, LLC
Before the Committee on Environment
February 28, 2014

Chairwoman Linda Gentile, Chairman Edward Meyer, and Members of the Environment Committee, my name is Jon Reardon, on behalf of Stop & Shop, I thank you for the opportunity to speak with you regarding Senate bill No.67, "An Act Concerning the Inclusion of Juices, Teas, and Sports Drinks under Connecticut's Bottle law". By way of background, I began my career 25 years ago with Stop & Shop. I started as a Part-timer, and currently I'm the Store Manager at our Madison Stop & Shop store. I reside in Middletown Connecticut.

Stop & Shop is one of the largest employers in the state of Connecticut with more than 13, 820 full and part-time union associates. We currently operate 94 stores in state of Connecticut.

Today, I would like to share with you our experience with the current bottle redemption system, the serious challenges we believe will result from expanding the coverage to include, juices, teas, fruit and sports drinks.

Store Operations

Stop & Shop sets very high standards to ensure a clean and safe environment for our customers and store associates. Good sanitation is critical to the operation of a successful store. In an environment that dictates a very high level of sanitation in handling a variety of food products, we unfortunately are required to handle a tremendous volume of dirty and unsanitary containers resulting from the current

redemption system. We also have seen an increase in dirty needles and foreign substances found in these containers.

These situations potentially place our store associates' health and safety at risk. Under these conditions, stores also are at a greater exposure risk and having to deal with many more incidents of rodent and pest infestation. An increase in the number of containers we would have to handle would substantially increase the health and safety risks involved as well as the costs associated with maintaining a clean and safe environment.

Reverse Vending Machines and the challenges involved

Reverse vending machines malfunction frequently, due in part to non-standard containers, which are not programmed for the reverse vending machines, thus forcing us to have dedicated space to store the un-shredded product until it is picked up. Therefore, we are forced to institute and manage two redemption systems, both automated and manual. This represents an additional unproductive labor cost in operating our stores. Any type of new machine technology developed to handle additional sizes and new types of containers would create additional costs and likely would require time before it could be available in the marketplace. In some cases, we even have stores that must use storage trailers to handle these containers. The issue of keeping storage trailers in our parking lots is governed by local zoning boards, many of which impose tight restrictions on the number of storage containers a store is allowed to have on property.

Based on the number of items (SKUs) we carry in our stores, if the bottle law in Connecticut were expanded, the number of bottles and cans that we redeem would grow substantially. The resulting storage and handling problem would grow significantly. I strongly believe our current system cannot handle an increase to the amount and type of bottles being redeemed especially at those stores with space

constraints. The current system cannot be maintained effectively without making significant improvements to system and possible structural changes to the building. We estimate that each of our stores would be required to lease two to four additional reverse vending machines.

As many of you already know, we are a very low-profit margin industry. This means that costs with associated with complying with the expansion of the bottle bill, would increase our costs of leasing and maintaining the reserve machines, costs of remodeling stores and represent lost sales space for our operators. We operate in one of the highest cost states and are competing in one of the most competitive marketplaces in the country. We can ill afford to incur any additional cost not associated with product or service improvement.

Consumers

Transporting breakable containers is hazardous for our customers. Returning containers to supermarkets is less efficient than using comprehensive drop-off or curbside recycling programs. The current system causes severe hardship for residents who rely on public transportation, the elderly, the disabled and parents shopping with young children. Customers frequently are frustrated when the reverse vending machines break down. They become irritated with Stop & Shop and sometimes leave bags-full of bottles and cans at the customer service desk. Today's consumers find it more convenient to do curbside recycling than to redeem their containers at the supermarket. We live in a time-starved environment. Over the past 25 years consumers' needs have changed significantly. With consumers' busy schedules, service and convenience are extremely important. We believe that curbside recycling is an efficient and effective way to handle the volume of beverage containers. Many of our customers prefer to recycle their containers rather than bring them back to our stores.

We support Governor Malloy's bill No 27-An Act Concerning Connecticut's

Recycling and Materials Management Strategy. This proposal offers a comprehensive sustainable system that will address the litter and solid waste issues of Connecticut. It is a state of the art proposal.

Stop & Shop opposes any bottle bill expansion, it is outdated and does not address solid waste issues in the State. As a retailer, our first concern with the expansion is that it would force us into the major role of “primary redemption center”. Despite the fact that we have considerable experience in the area of operating supermarkets and managing waste, any proposal to expand would require Stop & Shop and other retailers to take on responsibilities that we cannot and should not be required to assume.

Sustainability

Stop & Shop is strongly committed to being a sustainable company and protecting the environment. Stop & Shop introduced reusable shopping bags in 2008 which were well received and are still being offered at all store locations. We are committed to reducing the use of paper and plastic bags. We encourage our customers and associates to use reusable bags. We also encourage our customers to recycle plastic paper bags and provide collection bins to accept plastic bags at each store location. We strongly believe that educating and encouraging our customers to use reusable bags is the best solution to aid in the protection of the environment. Reusability reduces both plastic and paper bag usage. We will continue to strive to promote reusability and other efforts to be a more sustainable business. Other initiatives to protect the environment include:

- Stop & Shop is a member of the U.S. Green Building Council and has been council and has been awarded Leadership in Energy and Environment Design (LEED) Certification for numerous stores.
- More than 50% of cardboard, paper plastic and other waste is recycled from our stores.

- New stores are built to reduce their energy consumption by 20%.
- Several stores utilize solar panels which generate around 8% of the store's electricity needs; we continue to expand their use into new stores.
- We have our East Torrington store that is powered by a fuel cell that provides electricity.

Summary:

We trust that this committee will give our concerns serious consideration before any final action is taken. We request that the committee oppose Senate bill No. 67 and support Governor Malloy's bill No.47. We hope to continue to work collaboratively with this committee to address and resolve the solid waste management issues in the state of Connecticut.

Thank you for your time.